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VIETNAM: There has been no substantial change in the tactical situation in North or South Vietnam and Soviet and Chinese military activities continue to appear normal.

In its first official pronouncement on President Nixon's speech, Hanoi devoted considerable attention to the need for continued support from its own allies. The government communiqué, issued yesterday, includes two long passages exhorting socialist countries "to check in good time the bloody hands of the US aggressors" and expressing "confidence" that Hanoi's allies will not fail to measure up to their responsibilities. It also reiterates most of the caustic language Hanoi's propagandists have been using to condemn the US action, including allegations that the US is escalating the war and violating international law.

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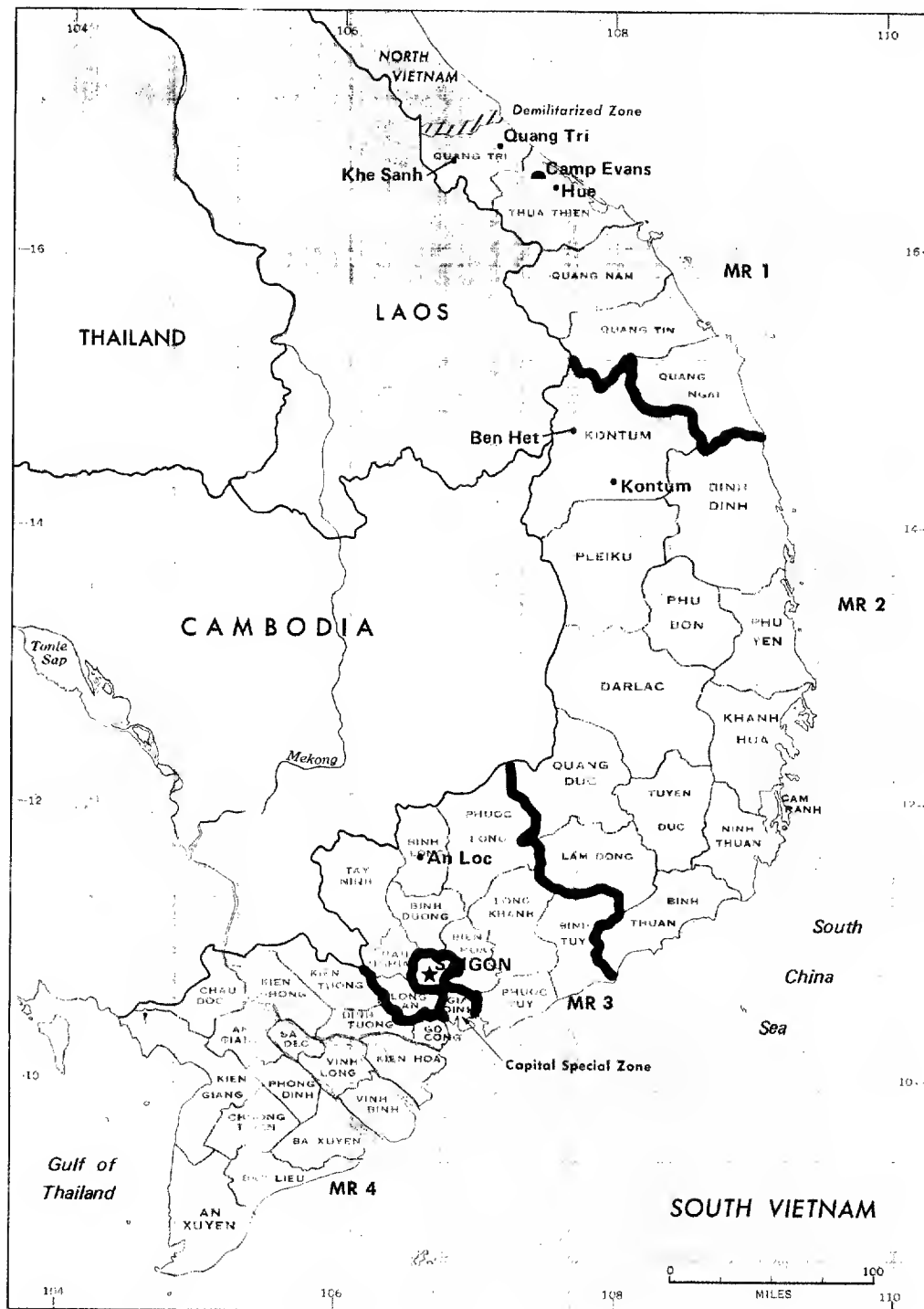
Hanoi's two top negotiators have reacted sharply to the US position that the Communists offered nothing new in the latest round of secret talks. Chief negotiator Xuan Thuy, as he prepared to leave Paris for "consultations" at home, claimed that it was Washington and not Hanoi that had been intransigent in the private discussions. Politburo member Le Duc Tho maintained that the US was misleading opinion about the kind of government the Communists wanted in Saigon. He claimed his side was pressing only for a genuine coalition government, not a Communist regime.

The Communists appear to feel that the US charges have put them on the defensive. Thuy, who will stop over in Moscow and Peking en route home, did not reveal how long his consultations in Hanoi will last. Communist sources did make it clear, however, that Tho will be staying on in Paris for the time being.

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Communist forces in South Vietnam continue preparations for further offensive operations, but enemy combat action yesterday was light. In northern South Vietnam, supply movements have increased sharply in the Khe Sanh area.

In the central highlands, Communist attackers were pushed out of the Ben Het Ranger camp on 9 May after they had seized about one third of the base, and government forces there are thus far holding their positions. Government defenders in Kontum appear to be getting better organized; the South Vietnamese 23rd Division is reportedly successfully integrating the various units there into an effective fighting force.

President Thieu's replacement of Military Region (MR) 2 commander General Dzu with the present commander of South Vietnam's armored command, General Nguyen Van Toan, may help the government improve its declining military position in the region. Toan is regarded as a competent military officer who earned high marks for his performance earlier as commander of the South Vietnamese 2nd Division in MR 1. However, he also has a reputation for corruption.

In the southern half of the country, Communist forces continue to pressure An Loc; the town was shelled heavily yesterday and enemy infantry probed its northern defenses. Prisoners have indicated that a new assault on An Loc would be led by the 5th Division. In the delta, enemy activity picked up somewhat, with most of the action concentrated in Kien Phong, Kien Tuong and Dinh Tuong provinces.



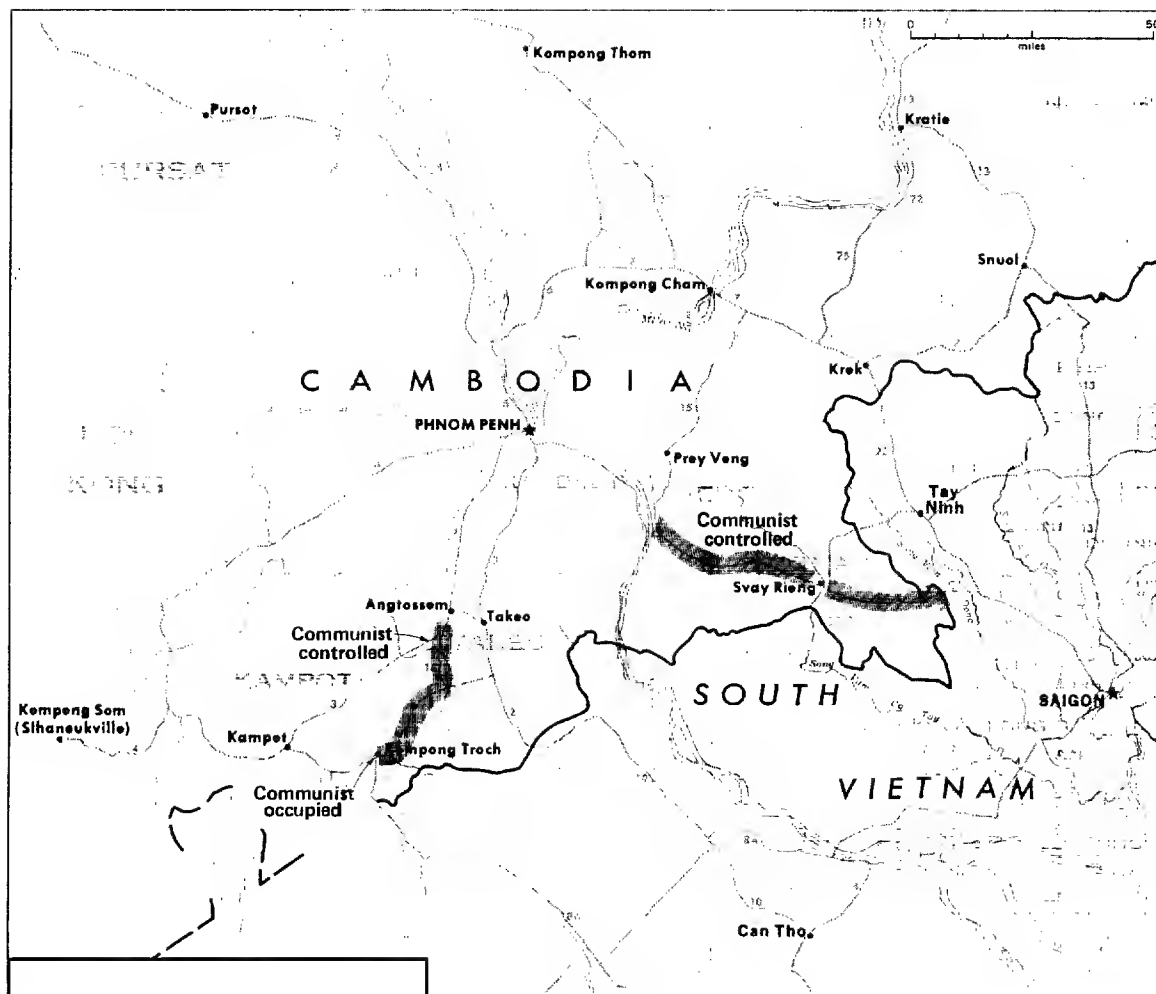
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CAMBODIA: The Communists are continuing to expand their control over key southern border areas, evidently to support military operations in South Vietnam.

In the past few days, enemy troops have gained control over the 35-mile length of Route 16 in Kampot Province north of Kompong Trach, which fell to the enemy in late April after a protracted siege. The Communists apparently inflicted heavy losses on four Cambodian battalions, and burned towns and villages as they advanced up Route 16. The enemy actions probably have been led by elements of the North Vietnamese Phuoc Long Front, but local Khmer Communists also appear to be involved in the fighting.

With Route 16 now under their control, the Communists are in a good position to put pressure on several key government positions in Takeo Province. Enemy elements are reported to be within striking distance of the lightly defended town of Angtassom, on Route 3, and there is also evidence of increasing Communist activity around the nearby city of Takeo, which is being held by four government battalions.

The Communist advances represent the most significant enemy activity in Kampot and Takeo provinces since the early days of the Cambodian war. The Communists' objective in this region probably is to eliminate any effective government presence between the cities of Kampot, which is already isolated, and Takeo, thereby facilitating the movement of troops and supplies into the delta area of South Vietnam.

The same objective lay behind the Communists' campaign in Svay Rieng and Prey Veng provinces, which has given them control of all of Route 1 east of the Mekong, with the exception of the now-isolated city of Svay Rieng. Phnom Penh's efforts to

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reopen the highway have faltered, and there are no signs that the government has any serious plans to mount new operations to clear the highway.

The fresh losses in the border region, the seeming inability of the Cambodian Army to rectify the situation, and the news of Communist successes in South Vietnam evidently are all having a significant impact on the morale of the army's officer corps.

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WEST GERMANY: In the midst of a tension-filled Bundestag session, government and opposition leaders decided to postpone the debate and vote on the Eastern treaties until 17 May.

In the interval, a commission drawn from both government and opposition ranks will attempt to resolve the outstanding disagreement concerning the transmittal of the all-Bundestag resolution on the treaties to the Soviets. There may also be further meetings between Brandt and Barzel.

Yesterday's treaty debate began on an inauspicious note. Barzel had conferred with Soviet Ambassador Falin early in the morning but their failure to resolve the disagreement concerning the modalities of the Soviet response to the joint resolution prompted the Christian Democratic leadership to move at the opening of parliament to postpone the debate.

The Brandt government foiled this attempt with the support of 12 Socialist deputies from West Berlin. The 22 West Berlin deputies in the Bundestag are only permitted to vote on procedural matters. Ten CDU deputies from West Berlin supported the opposition's motion. The vote was 259 to 259 with all Bundestag deputies present and voting.

The desperate Barzel skillfully regained the initiative and reinforced party unity by declaring that the CDU would unanimously veto the treaties if the government insisted on further debate. Barzel's compelling arguments for more time to resolve the prevailing confusion on the Eastern treaties, coupled with his party's strong showing on the procedural vote, forced Brandt to yield.

Brandt's desire to gain broad bipartisan support for the treaties undoubtedly played a part in his decision. If the new commission can reach agreement this coming week, there is a good prospect that Barzel can swing the bulk of his party behind the

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(treaties on 17 May. The resolution itself will present no problem for the commissioners but the CDU desire to raise the legal status of the Soviet response may cause difficulties and further test Moscow's patience.



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CHILE: The removal of two top officials reflects serious continuing problems within the Allende government.

The resignation of Communist Labor Minister Jose Oyarce this week almost certainly stems from the recurrent labor unrest that hinders the administration's efforts to solve its economic difficulties. Oyarce, a longtime union boss, has an undistinguished record in the cabinet. He has been kept on despite pressure from other coalition parties only because the Communist Party insisted on retaining its three original ministers. Oyarce says that he will return to his party political tasks, although he was taken off the central committee's political commission only a few weeks ago "to devote more time to his official duties."

Oyarce's departure follows a short but costly strike of copper workers protesting the political maneuverings of the Communist director of Chuquicamata mine, David Silberman. The unions at the huge mine are led by Popular Socialists and Christian Democrats--not members of the coalition government--and resent Silberman's abrasive attempts to expand Communist interests. These and other labor difficulties damage the Communists' prestige at a time when their control of the Chilean Labor Confederation has come under strong challenge from leftist extremists and other political parties.

The ouster of the president of the national airline, LAN, from his post and from the Socialist Party also stems from combined political and economic problems. LAN, which has been in financial straits for months, will reportedly be run by another Socialist, company vice-president Rodolfo Ortega, Allende's crony and former private pilot and body-guard. Ortega announced on 8 May that LAN will buy Soviet civil aircraft for domestic flights. [REDACTED]

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JAPAN: Prospects are growing for an all-out battle within the ruling Liberal Democratic Party for the succession to Prime Minister Sato.

The pledge by 81 members of Sato's faction in the Diet on 9 May to support International Trade and Industry Minister Tanaka's candidacy diminishes the likelihood that he will defer to Foreign Minister Fukuda, the other leading contender. Tanaka now has the largest group in the party publicly committed to any aspirant to the prime ministership. The emergence of this force clearly threatens to divide Sato's faction into two rival camps, splitting the base of support Sato would like to retain even after stepping down from the party leadership. It also reduces the prime minister's ability to assure the success of his preferred candidate.

Sato, whose retirement could come as early as June, apparently has favored Fukuda for years but recently has moved to a more neutral position. The public pledge of support for Tanaka may now force the prime minister to commit himself to one of the candidates. Nevertheless, the succession struggle remains a toss-up, and the outcome may not be resolved until the eve of the vote within the ruling party.

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AFGHANISTAN: The year-old government of Prime Minister Abdul Zahir appears to be floundering, and a new political crisis could be in the making.

Following a drought that lasted for nearly two years, inadequate transportation facilities and lack of planning have resulted in severe wheat shortages in some areas outside the capital. These shortages, combined with rumors of high-level corruption, have led to occasional acts of violence and a general deterioration of security in the countryside.

In Kabul, the university re-opened after a five-month student strike, but only after the government capitulated to student demands. May Day demonstrations by students and workers were described as the largest in several years and included speeches against the government, including a rare attack on the king.

The lower house of parliament, which convened in early March, has been paralyzed by the lack of a quorum as a result of the refusal of government supporters to attend. The Zahir government presumably fears discussion of the food problem and a possible no-confidence motion. In recent conversations with the US ambassador, two members of the cabinet described the present situation as "anarchy."

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The king, meanwhile, remains aloof and provides no effective leadership, even though he is known to be deeply concerned about the deteriorating state of affairs. If Zahir--the fourth prime minister in nine years--is forced out, the king, in frustration, could elect to jettison his entire nine-year-old "experiment in democracy" and re-impose a more traditional and conservative regime. [REDACTED]

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NOTES

USSR-SYRIA-EGYPT: Soviet Defense Minister Grechko has proceeded with his visit to Syria, scheduled for 10-14 May, and apparently will stop off in Cairo before returning to Moscow on 16 May. Grechko was to have visited Syria in December as part of a tour of the Middle East, but canceled this trip when he became ill in Iraq, his first stop. The Soviet defense minister will now have an opportunity to arrange additional military assistance for Syria, which may have been discussed during Deputy Premier Mazurov's visit to Damascus in February. [REDACTED]

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CYPRUS: The six-week-old strike by the bank employees' union is now affecting other sectors of the economy. More than \$26 million in merchandise is tied up in ports because of the inability of importers to secure the funds and other bank services necessary for customs clearance. The bank union's demands were privately described by other unions as excessive and inflationary, but there is no sign that the dispute will be settled soon.

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